

**Approved Minutes
CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION (CDIAC)
MEETING**

**Wednesday, December 11, 2002
2:00 P.M.**

Jesse M. Unruh State Office Building
915 Capitol Mall, Room 587
Sacramento, CA 95814

1) ROLL CALL

Deputy Treasurer, Barbara Lloyd, called the meeting to order at approximately 2:18 p.m. The members present were Cindi Aronberg for State Controller Kathleen Connell, Annette Porini for Governor Gray Davis, Barbara Lloyd for State Treasurer Phil Angelides, Assemblyman Joseph Simitian, and Collin Grunell for Senator Mike Machado. A quorum was present. Donna Linton arrived at 2:20 p.m.

2) ACTION ITEMS

Item 2.a. Approval of the Minutes:

Assemblyman Simitian moved that the minutes of the June 6, 2002 meeting be approved. The motion was seconded by Annette Porini and passed (4-0). The representative for Senator Machado abstained from voting, pursuant to CDIAC statutes. The roll call vote was left open for other members' votes. Ms. Linton voiced her approval of the minutes upon her arrival.

3) BUSINESS AND INFORMATION ITEMS

Item 3.a. Executive Director's Report:

CDIAC Executive Director Lisa M. Harris discussed CDIAC's activities since the last Commission meeting. This discussion included information on the many programs held by the Continuing Education and Outreach Unit, the research products produced by the Policy Research Unit, and the activities of the Data Collection and Analysis Unit in capturing and reporting debt issuance data.

Item 3.b. Discussion of CDIAC Accomplishments for 2002 and Workplan for 2003:

Ms. Harris reviewed the accomplishments of the year which included 14 conferences, 11 policy research documents (publications, issue briefs, resource guides), the monthly *DEBT LINE* newsletter, four surveys of local issuers, and

ongoing debt issuance data collection and analysis. She also highlighted the article published by Frank Moore in the Government Finance Officers Association (GFOA) magazine on credit enhancement.

Ms. Harris further explained that CDIAC's 2003 workplan is just as enterprising as last year's workplan. CDIAC will continue to offer its core debt and investment programs as well as collaborate with other Finance Officers and Treasurers Associations to hold sessions at their annual conferences. Research efforts for 2003 include issuing a Request for Proposals for updating the *California Debt Issuance Primer* (as the budget allows) and issuing the *Investment Primer*. Additionally, research staff are working on a disclosure survey to accompany CDIAC's **Disclosure Symposium** to be held on February 27, 2002.

Item 3.c. Update on Recent CDIAC Activities:

3.c.I. Update on Outstanding Debt Report

Kristin Szakaly-Moore distributed copies of the *Outstanding Debt* report and reviewed the results of the report that included data on state and local general obligation debt issued between 1992-93 through 1998-99.

3.c.II. Presentation on the Results of CDIAC Survey re: the National Association of Bond Lawyers Proposal:

Ms. Szakaly-Moore reviewed the key results of CDIAC's survey sent to 200 issuers regarding their knowledge of the National Association of Bond Lawyers (NABL) proposal to shift tax liability from bondholders to issuers for bonds determined to be taxable by the Internal Revenue Service. CDIAC will continue to stay in touch with both GFOA and NABL so that it can keep its constituency informed about the status of this proposal.

Item 3.d. Presentation on Results of Consultant Analysis of CDIAC Database:

Maureen Dumas provided an update to the Commission on the results of the contract with Gensa Corporation to review CDIAC's existing debt issuance database. Ms. Dumas reported that after a completed analysis of the database and a meeting between CDIAC staff and Gensa, Gensa produced a final report containing the issues identified, potential solutions to these issues, and hours required to complete these solutions. The report contained solid recommendations for the future. CDIAC will evaluate its budget and apportion funding to address these recommendations as monies are available. CDIAC staff will keep the Commission abreast of any future contracts relating to the database.

4) PUBLIC COMMENT

There was no public comment.

Donna Linton commended CDIAC staff for the level of activity and output for the last year.

Dates for future Commission meetings were discussed to allow Commission members to check their availability for 2003 and inform CDIAC if any of the tentative dates pose problems for Commission members' calendars. The tentative dates for Commission meetings in 2003 are March 13, 2003, June 4, 2003, September 4, 2003, and December 11, 2003.

5) ADJOURNMENT

There being no further business, the meeting was adjourned at 2:50 p.m.